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ABSTRACT

The workbook is a training tool designed to make the concept of program planning and budgeting available to small social agencies in a simplified and practical form. It begins with a glossary and an explanation of the Annual Program Budgeting Cycle, the basis for the process described. The first four chapters contain summarized material, references, and activities which: (1) provide a process for the agency to reach a working consensus about goals and priorities, (2) give instruction and practical exercise in writing specific objectives, (3) aid the agency in developing a program structure and budget, and (4) provide a process for immediately assessing agency performance levels. The final chapter deals with program planning and presents guidelines on how to assess community problems and how to develop and analyze alternative solutions to those problems. Also included is a program budgeting calendar. (Author/MS)

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PLANNING AND PROGRAM BUDGETING WORKBOOK

prepared by

PROJECT TO IMPROVE SOCIAL AGENCY PLANNING AND BUDGETING

DEPARTMENT OF CONTINUING EDUCATION

and

CENTER FOR URBAN STUDIES

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PREFACE

This workbook is the primary training tool of a special project, funded by the State of Ohio and operated by Youngstown State University, the purpose of which is to aid United Appeal agencies in the Youngstown area in improving their planning and budgeting processes. It is designed to make the concept of program budgeting available to smaller social agencies in a simplified and practical form.

The workbook is structured so that when it is completed, the agency member should have a complete record of the process used to formulate future programs for the agency. The workbook provides a process for the agency to reach a working consensus about goals and priorities; it gives instruction and practical exercise in writing specific objectives; it aids the agency in developing a program structure and budget; it provides a process for immediately assessing agency performance levels; and suggests the steps necessary in establishing a formal evaluation system.

The creation of this workbook is due to the direct and indirect efforts of many people. Those who were instrumental in planning the project and obtaining funding for it are Dr. Jack Foster and Dr. Lawrence Looby. Their efforts, along with Mr. William Brennan and Mr. Joseph Gray of the Youngstown Community Chest, resulted in the acceptance of this project

by local United Way Agencies.

The individuals primarily responsible for the operation of the project and for the development of this workbook and the accompanying media presentation include Dr. Steve Redburn, Mr. Frank Huntley, Mr. Mark Cohen, D. Edgar Cobett, and Mr. Kelvin Carlisle. Mr. Steve Grcevich is the announcer.

Two advisory committees assisted in reviewing and commenting on the text of this workbook. The YSU Faculty Advisory Committee consisted of Ms. Syretha Cooper, Dr. John Kearns and Dr. Raymond Shuster. The Community Chest Advisory Committee consisted of Mr. Raymond Brenner, Jr., Mr. Harold Halls, Ms. Carol Harding, Mr. Gregg Hungerford, Ms. Diane Schumacher, and Rev. David Stone.

Clerical and secretarial help included Ms. Claire Strow, Ms. Mary Willmitch, Ms. Debby Wilson, Ms. Lynn Zigoris, and Sheri Zubal.

A special note should go to those organizations whose materials were used as a basis for sections of this workbook. These include Phi Delta Kappa, United Way of America, and the Urban Institute.

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INTRODUCTION

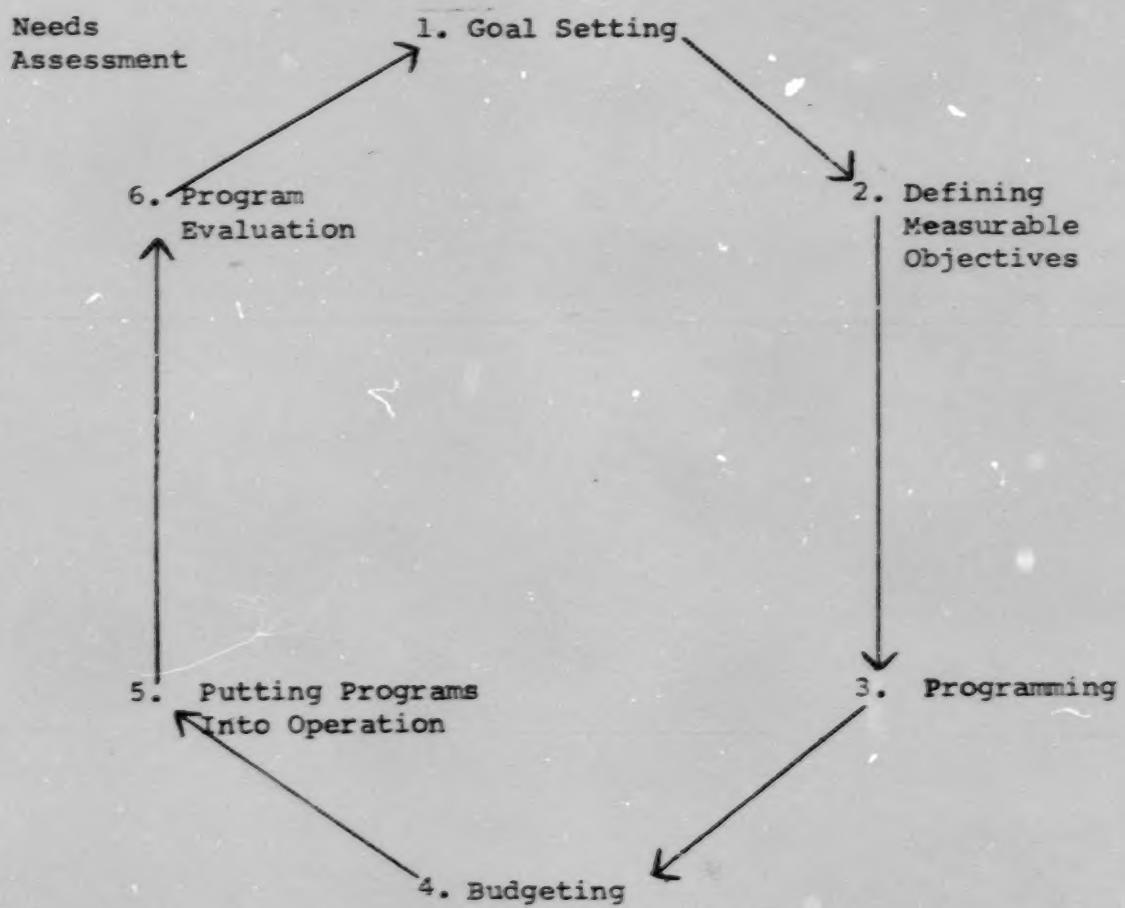
The major goal of the Project to Improve Social Agency Planning and Budgeting is the adoption by each Community Corporation-supported agency of a new approach to decision-making. This approach differs from the current practice of most agencies in the degree to which it:

1. Makes the goals of the agency explicit and visible to both board and staff.
2. Establishes measurable, short-term objectives against which to measure agency performance.
3. Organizes the budget so as to make clear to all the dollar cost of achieving (or failing to achieve) each objective.
4. Establishes methods for measuring scientifically the degree to which the agency achieves its objectives, other impacts of the agency programs, and the needs for service of target populations or potential clienteles.
5. Permits annual reconsideration of goals and objectives in light of a precise benefit/cost analysis of the previous year's performance as well as reassessment of target populations; and
6. Relates annual budget decisions to precise benefit/cost analysis of the previous year's performance

and estimated benefit/cost ratios of as yet untried alternative programs.

A fully developed Planning-Programming-Budgeting system ties all of these elements together in an annual decision-making cycle so that evaluation is relevant to planning, planning is tied to budgeting, and budgeting is keyed to measures of actual performance and information about the agency's changing environment. This cycle is illustrated below:

Figure 1: Annual Program Budgeting Cycle



Element 5 of the cycle is an administrative function and is not discussed here. All of the other elements are part of the agency's decision-making process and will ordinarily involve both board and staff. Needs assessment, which is the process of collecting data about the agency's environment or target population is a key imput to the goal setting process but will not be dealt with in much detail for lack of space. It is discussed briefly in Chapter Five.

The first four workbook chapters correspond to the elements of the annual program budgeting cycle as follows:

Chapter One:	Goal Setting
Chapter Two:	Defining Measurable Objectives
Chapter Three:	Programming and Budgeting
Chapter Four:	Program Evaluation

Chapter Five is intended to provide guidance to the agency in implementing a fully-integrated program budgeting process.*

The authors of this workbook modestly ask you to remember two things: (1) the conception of program budgeting offered here is a drastically reduced and simplified one, designed for agencies with limited resources and expertise; and (2) the transformation of an agency's annual decision-making process called for here will take time to implement fully and will require the abandoning of many old, comfortable habits. For instance, the collection of accurate information on program

effectiveness may require one to discard some cherised prejudices.

The payoffs of program budgeting, which will not appear immediately, include:

1. improved program effectiveness
2. greater efficiency in the use of scarce resources
3. increased ability to justify agency programs when seeking funds
4. improved staff morale
5. a more adaptable organization, more likely to survive and better able to match its efforts with the needs of the community.

*In actual practice the various elements of the annual decision-making cycle are not as clearly separated as suggested in Figure 1. For instance, programming (deciding what to do) depends not only on objectives but also on how much money is to be available, i.e., budgeting. Also, an objective that is consistent with the agency's goals may have to be dropped either because the agency finds it lacks capability or for reasons of cost; in this way programming and budgeting may force a redefinining of objectives. So Figure 1 represents only roughly the time sequence of annual decision-making by board and staff.

GLOSSARY

accountability - synonym for responsibility; implies that officials will report, explain, and/or justify all activities.

activity - identifiable action that is conducted in order to achieve a specific objective.

budget - written plans for allocating financial resources.

costs - specific resources (inputs) expressed in monetary terms required to achieve a given output.

criteria - standards by which something is judged or evaluated.

effectiveness - a measure of the degree to which an objective is attained.

efficiency - minimum cost at which a specified level of impact or outcome can be maintained or maximum output for a specified cost level.

element - aggregations of activities directed toward a particular objective.

evaluation criteria - standards by which to determine program effectiveness (impact).

goal - statement of broad direction, purpose, or intent based on identified needs.

input - resources or activities that are used to achieve an objective.

objective - a measurable outcome of a specific activity, element or program.

outcome - impact or change in the environment that occurs when resources (inputs) are used to achieve a specific objective.

output - services provided

planning - process of deciding on the objectives, strategies, and resources to be created and used in fulfilling an agency's purpose.

policies - written statements which express the purpose, intentions and conditions under which an agency operates.

program - group of interdependent, closely related elements and activities contributing to a common objective.

program budget - a written plan for allocating financial resources among program categories based upon outputs.

program structure - hierarchical arrangement of programs which represents the relationships of activities, elements and programs to specific objectives or outputs.

CHAPTER ONE

EXAMINING AGENCY GOALS AND PRIORITIES

Overview

Goal-setting is simply an agency's internal political process. It goes on in every organization all of the time. Here we are interested in making goals explicit and determining to what degree a consensus exists within the agency over what its purposes are.

In the absence of consensus, making goals explicit will increase conflict. This is not necessarily bad for the organization provided there is a set of "decision rules," more or less accepted by everyone, for controlling debate and eventually reaching a decision. One of our premises in seeking to make goals explicit is that creative conflict, conducted within a framework of decision rules, is healthy for the organization.

Conflict that is rationally structured and limited by a spirit of mutual tolerance can accomplish several things. First, it is likely to bring to the surface and illuminate the two sets of factors which lead individuals to adopt different goals. These are: (1) differences in values and (2) differences in perceptions (of the nature of the problems being addressed, of the utility of various means of dealing with

these problems, and of the capabilities of the agency and the individuals within it). Where goal conflict results primarily from differences in perceptions, the availability of new information can eliminate many apparently deep divisions. This information can be generated by a properly designed planning process that includes both needs assessment and program evaluation. So one effect of making goals explicit should be to highlight the need for this new information.

Secondly, even where conflicts result from differences in values, frank and rational discussion can actually lead to a new consensus. This can occur only when the conflicting individuals are adept at listening and at adopting the perspectives of their opponents. The development of such skills is beyond the scope of this training process. However, there are a number of widely-used methods available to organizations that want to work through strains of this sort. *(See note-page 12)

Even in organizations that already possess a goal consensus, there is value in precisely stating the nature of this consensus. A precisely stated set of goals provides the basis for constructing measurable short-term objectives (see Chapter Two) which in turn enables the agency to measure its performance relative to these objectives and to feed this information into the budgetary process. In other words, an

explicit statement of goals sets the keystone of the agency's program structure and constitutes the first element in an integrated planning-programming-budgeting cycle.

This chapter contains two alternative procedures for establishing an agency's goals. In each case, the mechanical procedures employed are rather arbitrary devices for bringing about a rationally-structured discussion of goals within the very limited time available. The emphasis should not be on the procedure but on a creative discussion that will clarify: (1) the degree to which there is concensus or conflict over goals on the board and between board and staff; (2) the sources of conflict (differences in values and differences in perception); and (3) the agency's needs for new information about its environment (needs assessment) and about its performance (program evaluation) that would help to resolve conflicts or to generate new goals for the organization.

The Basic Procedure, which begins on page 14, is designed for agencies with more diverse functions or agencies

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*Two useful guides to these organizational development methods are: Fordyce, Jack K. and Raymond Weil, Managing WITH People, A Manager's Handbook of Organization Development Methods, Addison-Wesley (1971); French, Wendell L. and Cecil H. Bell, Jr., Organization Development, Behavioral Science Interventions for Organization Improvement, Prentice-Hall (1973).

that anticipate significant conflict over goals. The Alternative Procedure, beginning on page 25, has been developed for use by agencies that believe they possess a good consensus or agencies that perform a very limited range of functions.

SELECTED REFERENCES

Hughes, Charles L., Goal-Setting: Key to Individual and Organizational Effectiveness. American Management Association, 1965.

Directions for Individual Ranking of Goal Statements

1. Make sure your materials include the following items:
   a. One (1) Display Board listing 23 goal statements
   b. A set of thirty (30) red squares
2. Read each of the Goal Statement Cards. As you read each card, ask yourself:
   "HOW IMPORTANT IS THIS GOAL STATEMENT FOR OUR AGENCY?"
3. Read each goal statement. For every goal statement you believe to be important to your agency, place a red square beside it in the column labeled #1.
4. Read the goal statements that have one square beside them. For those goal statements you believe to be more important than others, place a red square beside them in the column labeled #2.
5. Read the goal statements that have two red squares beside them. For those goal statements you believe to be much more important than others, place a red square beside them in the column labeled #3.
6. Read the goal statements which have three squares beside them. For those goal statements you believe to be of great importance, place a red square beside them in the column labeled #4.
7. Read the goal statements which have four red squares beside them. For those goal statements you believe to be of extreme

importance, place a red square beside them in the column labeled #5.

8. Review your Display Board and keep in mind the following:
   a. All 30 red squares must be used. (Each square has a value of 1 point). But, you may have more than one goal statement with five red squares beside it.
   b. At least one goal statement must have five red squares (5 points) beside it.
   c. A maximum of five red squares (5 points) is allowed for any one goal statement.
   d. It is not necessary for a goal statement to have a red square beside it.
   e. In the event you wish to rearrange your display board, you may add or remove red squares (points) from the goal statements (remembering that squares must always be in horizontal sequence with no spaces between squares).
9. Transfer the total number of points for each goal statement to the Individual Goal Statement Summary Sheet. (It is important to note that the goal statements found on your Individual Goal Statement Summary Sheet are in random order and will not match the order in which you placed your goal statements).

10. You will be assigned to a small group (3 - 5 persons). After a break, you will begin working with your group on arriving at a consensus on a single display board.
11. Leave your display board at your position. Take your workbook to your small group meeting.

INDIVIDUAL GOAL RATING SHEET

Instructions: Place the total number of points (red squares) you gave to each of the goals on your Display Board in the blank space found next to each of the goals on this page.

OUR GOALS	My Individual Score for Each Goal	Rank Order
1. Create opportunities for full employment of all those who can be gainfully employed.		
2. Provide enough income to meet the basic needs of those unable to provide for themselves.		
3. Protect consumers from fraud, unfair trade practices, and unsafe products.		
4. Provide food and nutrition guidance to those who can't provide these for themselves.		
5. Provide clothing to those in need of clothing and unable to obtain it for themselves.		
6. Provide assistance to individuals, families, and the community to insure adequate housing and fair housing practices.		
7. Provide fast, safe, efficient and convenient means of transporting individuals and goods from one place to another.		
8. Provide individuals with environments where they feel safe and are protected from anti-social and criminal elements.		
9. Promote justice, equal protection of the law and the means for resolving disputes without force.		
10. Protect and enrich the quality of the non-human environment: air, water, animal life, etc.		
11. Foster physical health and assure adequate care and treatment for illness and disability.		
12. Foster mental health and assure adequate care and treatment for mental illness and disability.		
13. Help those with inadequately developed intelligence to learn and to adapt to the demands of society.		

Cont.

14.	Help the physically disabled overcome handicaps and realize their maximum potential.	_____	_____
15.	Help individuals acquire the knowledge and skills provided by schools and colleges.	_____	_____
16.	Help people acquire knowledge and skills outside the framework of the formal educational system.	_____	_____
17.	Preserve, strengthen, and (where necessary) substitute for the family.	_____	_____
18.	Promote the individual's sound personality development and social maturity.	_____	_____
19.	Promote the arts and humanities, in order to enrich the cultural and spiritual development of the individual.	_____	_____
20.	Encourage participation of individuals in democratic processes and social activities aimed at improving their lives and those of others.	_____	_____
21.	Promote community economic development.	_____	_____
22.	Provide assistance to other human services organizations in achieving goals which they have identified as important.	_____	_____
23.	Promote equality of opportunity and assist victims of discrimination on the basis of age, sex, race, color, creed, national origin, or income level.	_____	_____

Remember you will need this sheet for your small group meeting!

Directions for Small Group Ranking of Goal Statements

1. The small group materials should include:
   a. One (1) Display Board containing goal statements
   b. A set of thirty (30) red squares
   c. Chart of Averages
   d. Small Group Goal Statement Summary Sheet for each individual
2. There should be 3 to 5 members assigned to each group.
3. Each group will select someone to act as group leader and tally the scores.

Round 1: Directions for Group Leader

4. Read the first goal statement, and have each member read aloud his score for that particular goal statement.
5. Add all the scores for that goal statement and consult the "Chart of Averages" to determine the average score for that particular goal.
6. Record the average for that goal statement in the average column of the Small Group Goal Statement Summary Sheet.
7. Repeat steps 4 through 6 for each goal statement.

Round 2:

8. Using the mathematical averages as an initial guide, the group is to arrive at a consensus score for each goal statement. (A consensus score is reached when 2 out of 3, 3 out of 4, or 4 out of 5 members of the group agree upon a score.)

9. The consensus score is indicated on the Display Board by placing the appropriate number of squares next to that goal statement.
10. If a consensus score cannot be reached, the row next to the goal statement is left blank and the next goal statement is discussed.
11. It is possible:
    a. That all red squares (30 points) will be used before the group has ranked all of the twenty-three (23) goal statements. In this case, the group will have to read through the goal statements and make consensus adjustments as required (as you did as individuals).
    b. That all of the red squares will not be used in the initial group ranking process. In this case, the group will have to read through the goal statements and make consensus adjustments because all red squares must be used.
    c. That a final consensus cannot be reached on one or more goal statements. If this should occur, please inform the coordinator.
12. Record the consensus score for each goal statement in the consensus column of the Small Group Goal Statement Summary Sheet.

13. Notify the coordinator that your group has completed its task.

14. Re-assemble as a total group to discuss the small group ratings and reach a total group consensus for each goal statement.

SMALL GROUP GOAL STATEMENT SUMMARY SHEET

GOAL STATEMENTS	Members Scores	Average Score	Consensus Score	Rank #
1. Create opportunities for full employment of all those who can be gainfully employed.				
2. Provide enough income to meet the basic needs of those unable to provide for themselves.				
3. Protect consumers from fraud, unfair trade practices, and unsafe products.				
4. Provide food and nutrition guidance to those who can't provide these for themselves.				
5. Provide clothing to those in need of clothing and unable to obtain it for themselves.				
6. Provide assistance to individuals, families, and the community to insure adequate housing and fair housing practices.				
7. Provide fast, safe, efficient and convenient means of transporting individuals and goods from one place to another.				
8. Provide individuals with environments where they feel safe and are protected from anti-social and criminal elements.				
9. Promote justice, equal protection of the law and the means for resolving disputes without force.				
10. Protect and enrich the quality of the non-human environment: air, water, animal life, etc.				
11. Foster physical health and assure adequate care and treatment for illness and disability.				
12. Foster mental health and assure adequate care and treatment for mental illness and disability.				

Cont.

13. Help those with inadequately developed intelligence to learn and to adapt to the demands of society. _____ _____ _____ _____

14. Help the physically disabled overcome handicaps and realize their maximum potential. _____ _____ _____ _____

15. Help individuals acquire the knowledge and skills provided by schools and colleges. _____ _____ _____ _____

16. Help people acquire knowledge and skills outside the framework of the formal educational system. _____ _____ _____ _____

17. Preserve, strengthen, and (where necessary) substitute for the family. _____ _____ _____ _____

18. Promote the individual's sound personality development and social maturity. _____ _____ _____ _____

19. Promote the arts and humanities, in order to enrich the cultural and spiritual development of the individual. _____ _____ _____ _____

20. Encourage participation of individuals in democratic processes and social activities aimed at improving their lives and those of others. _____ _____ _____ _____

21. Promote community economic development. _____ _____ _____ _____

22. Provide assistance to other human services organizations in achieving goals which they have identified as important. _____ _____ _____ _____

23. Promote equality of opportunity and assist victims of discrimination on the basis of age, sex, race, color, creed, national origin, or income level. _____ _____ _____ _____

CHART OF AVERAGES

Total Score	Group of 3	Group of 4	Group of 5
0	0	0	0
1	.33	.25	.20
2	.67	.50	.40
3	1.00	.75	.60
4	1.33	1.00	.80
5	1.67	1.25	1.00
6	2.00	1.50	1.20
7	2.33	1.75	1.40
8	2.67	2.00	1.60
9	3.00	2.25	1.80
10	3.33	2.50	2.00
11	3.67	2.75	2.20
12	4.00	3.00	2.40
13	4.33	3.25	2.60
14	4.67	3.50	2.80
15	5.00	3.75	3.00
16		4.00	3.20
17		4.25	3.40
18		4.50	3.60
19		4.75	3.80
20		5.00	4.00
21			4.20
22			4.40
23			4.60
24			4.80
25			5.00

SMALL GROUP MEETINGS

SUMMARY SHEET TOTAL

OUR GOALS	A	B	C	D	E	F	G	H	Tot.	Avg.	Rank	S[2]*
1. Create opportunities for full employment of all those who can be gainfully employed.												
2. Provide enough income to meet the basic needs of those unable to provide for themselves.												
3. Protect consumers from fraud, unfair trade practices, and unsafe products.												
4. Provide food and nutrition guidance to those who can't provide these for themselves.												
5. Provide clothing to those in need of clothing and unable to obtain it for themselves.												
6. Provide assistance to individuals, families, and the community to insure adequate housing and fair housing practices.												
7. Provide fast, safe, efficient and convenient means of transporting individuals and goods from one place to another.												
8. Provide individuals with environments where they feel safe and are protected from anti-social and criminal elements.												
9. Promote justice, equal protection of the law and the means for resolving disputes without force.												
10. Protect and enrich the quality of the non-human environment: air, water, animal life, etc.												
11. Foster physical health and assure adequate care and treatment for illness and disability.												

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Cont.

	A	B	C	D	E	F	G	H	Tot.	Avg.	Rank	S^2
12. Foster mental health and assure adequate care and treatment for mental illness and disability.												
13. Help those with inadequately developed intelligence to learn and to adapt to the demands of society.												
14. Help the physically disabled overcome handicaps and realize their maximum potential.												
15. Help individuals acquire the knowledge and skills provided by schools and colleges.												
16. Help people acquire knowledge and skills outside the framework of the formal educational system.												
17. Preserve, strengthen, and (where necessary) substitute for the family.												
18. Promote the individual's sound personality development and social maturity.												
19. Promote the arts and humanities, in order to enrich the cultural and spiritual development of the individual.												
20. Encourage participation of individuals in democratic processes and social activities aimed at improving their lives and those of others.												
21. Promote community economic development.												
22. Provide assistance to other human services organizations in achieveing goals which they have identified as important.												

Cont.

23. Promote equality of opportunity and assist victims of discrimination on the basis of age, sex, race, color, creed, national origin, or income level.	

* S^2 equals Estimate of Population Variance

LARGE GROUP PRIORITY RANKING OF GOALS

OUR GOALS	Average Score	Rank Order
1. Create opportunities for full employment of all those who can be gainfully employed.	_____	_____
2. Provide enough income to meet the basic needs of those unable to provide for themselves.	_____	_____
3. Protect consumers from fraud, unfair trade practices, and unsafe products.	_____	_____
4. Provide food and nutrition guidance to those who can't provide these for themselves.	_____	_____
5. Provide clothing to those in need of clothing and unable to obtain it for themselves.	_____	_____
6. Provide assistance to individuals, families, and the community to insure adequate housing and fair housing practices.	_____	_____
7. Provide fast, safe, efficient and convenient means of transporting individuals and goods from one place to another.	_____	_____
8. Provide individuals with environments where they feel safe and are protected from anti-social and criminal elements.	_____	_____
9. Promote justice, equal protection of the law and the means for resolving disputes without force.	_____	_____
10. Protect and enrich the quality of the non-human environment: air, water, animal life, etc.	_____	_____
11. Foster physical health and assure adequate care and treatment for illness and disability.	_____	_____
12. Foster mental health and assure adequate care and treatment for mental illness and disability.	_____	_____
13. Help those with inadequately developed intelligence to learn and to adapt to the demands of society.	_____	_____

Cont.

14. Help the physically disabled overcome handicaps and realize their maximum potential.	_____	_____
15. Help individuals acquire the knowledge and skills provided by schools and colleges.	_____	_____
16. Help people acquire knowledge and skills outside the framework of the formal educational system.	_____	_____
17. Preserve, strengthen, and (where necessary) substitute for the family.	_____	_____
18. Promote the individual's sound personality development and social maturity.	_____	_____
19. Promote the arts and humanities, in order to enrich the cultural and spiritual development of the individual.	_____	_____
20. Encourage participation of individuals in democratic processes and social activities aimed at improving their lives and those of others.	_____	_____
21. Promote community economic development.	_____	_____
22. Provide assistance to other human services organizations in achieving goals which they have identified as important.	_____	_____
23. Promote equality of opportunity and assist victims of discrimination on the basis of age, sex, race, color, creed, national origin, or income level.	_____	_____

Alternative Procedure for Examining Agency Goals and Priorities

Some agencies, because of the narrow scope of their functions or because they already possess a rough consensus as to goal priorities, may find it more productive to employ an alternate goal-setting procedure. This alternative assumes a general consensus and seeks to accomplish two things: (1) to make explicit the already existing consensus; (2) to differentiate between what is actually known concerning the agency's environment and what is simply assumed.

Procedure

1. Examine the list of general goal statements on page 17 in the workbook and select one or two statements that you believe are most like the goals of your agency.
2. The coordinator will assist in determining, probably by a show of hands, to what extent a consensus exists on these choices.
3. Anyone may volunteer a suggested rewording of these goals to make them actual statements of the agency's goals.
4. The group will discuss the wording of the goal(s) and its implications.
5. Once there is a consensus on the goal statement(s),

the group should consider the following questions, differentiating for each factual statement between that which is known and that which is assumed:

a. What are the local dimensions of the problem this agency is addressing (e.g., how many people, where located, how affected)?

b. What are the known and suspected causes of the problem?

c. At present, how capable is the agency of dealing with the problem (e.g., what proportion of the target population can be reached and helped, what limits are imposed on the agency's performance by lack of funds, personnel, expertise, or political support)?

6. In light of answers to the previous questions, the group should tentatively list its needs for information about (1) the needs of its target population and (2) the reach and impact of its programs relative to that population.

You have just successfully completed phase one of your mission.

You have had the opportunity to (1) make clear to yourself your own goal priorities and (2) compare your priorities with those of others.

You have achieved, we hope, a preliminary consensus on the top priorities of your agency.

Now, these goals will become the basis for reorganizing the budget of your agency.

In the next session, you will develop measurable short-term objectives under each of the goals you have listed as high in priority. You can begin thinking now about how you would determine whether your agency is making progress toward each goal.

In the third session, with the assistance of your professional staff, you will transform the current budget of your agency into a program/budget which will show you how much it is costing you to move toward each of your objectives.

In the fourth session, you will be introduced to the methods of program/evaluation and asked to do two things: (1) discuss how you can best measure the impact your agency is having relative to each objective and (2) compare with each other your own current assessments of agency performance relative to each objective.

At the end of these four sessions you can then begin to implement the outgoing activities that contribute to successful program budgeting--successful because it leads to improved agency effectiveness.

Thank You for your contribution to the successful completion of this first phase of your mission.

Chapter Two

DEFINING MEASURABLE OBJECTIVES

Overview

Before goal-setting can lead to improved organizational effectiveness, goals must be translated into more specific statements of intention that (1) identify specific results expected, (2) are quantified and measurable, and (3) state a precise time frame for performance. The time frame most appropriate to objectives linked to a program budgeting system is the budget year.

For each goal, each year, one or more measurable objectives should be identified in advance and used as a basis for organizing the budget (see chapter three). For instance, the goal of reducing age discrimination in employment might, in a given year, be reduced to such realistic objectives as:

a. eliminating employers' automatic retirement rules affecting 500 workers over age 65.
b. locating part-time employment for 45 retired workers.
c. securing state legislation providing effective penalties for age discrimination in employment.

Note that objectives state the result to be accomplished not the means to be used or the services to be provided.

This is very important, since it leaves the way open to systematic analysis of alternative means to the same ends. Annual consideration of alternatives to present programs is an important component of a full-fledged program budgeting system.

The setting of specific objectives has a number of beneficial effects on the organization:

1. It provides a clarifying framework for discussion. Rhetoric and metaphor are replaced by precise statements of intention.
2. It provides a sense of direction and a set of realistic targets for all members of the agency. There can be a drastic change in the psychology of the staff. There is less likely to be need for close supervision of lower level employees. In fact, the use of objectives in this way has been developed into a complex system of management commonly referred to as Management By Objectives or MBO.
3. It provides measurable standards against which to judge performance. This is a precondition for scientific program evaluation (discussed in Chapter Four).
4. As noted previously, it allows for systematic analysis of alternative means to these ends, and finally

5. It enables a restructuring of the agency's budget so that the dollar cost of achieving, or failing to reach, each objective is made visible (see Chapter Three).

SUGGESTED REFERENCES

Morrisey, George L. Management By Objectives and Results. Addison-Wesley, 1970.

Raia, Anthony P. Management By Objectives. Scott, Foresman and Co., 1974.

McConkey, D.D. "Writing Measurable Objectives for Staff Managers." Advanced Management Journal 37 (January 1972 10-16).

What is the difference between a goal and an objective?

Goals are broad, general statements of the results we desire. As general statements, they can be interpreted in many different ways.

Objectives are much more specific than goals. A good objective leaves little doubt about what we specifically want done, and when it will be accomplished.

Is the following statement a goal or an objective?

"Every child shall learn to read."

Answer: _____

If you said goal, you were right. It is a general statement with many interpretations.

If you said objective, why were you wrong? Does the statement tell us specifically what kind of reading performance the child will have? Not really--just that he will learn to read. Does the statement tell you when the child will learn to read? No again. You see how this statement does not specify exact outcome?

Now try this one:

Is the following a goal or objective?

"To enable every first grade child to learn to read a book."

Answer: _____

If you said goal, you were right. Once again, the statement is too general to be a good objective.

If you said objective, take another look at the statement. Does it tell you when the child will learn to read, or what kind of book?

Once more, is the following statement a goal or objective?

"Each ten-year-old child will be able to read at least 100 fifth grade level words per minute with a 70% retention rate within one year."

Answer: _____

If you said objective, you were right. You noticed that the statement clearly specified which children (ten-year-olds), how well they would read (100 fifth grade level words per minute with a 70% retention rate), and when (within one year).

You may have noticed the qualities of a good objective now. A useful objective states a specific result in measurable terms, and tells when the result will take place.

Now, see if you can list the three qualities of a useful objective.

1. _____

2. _____

3. _____

Check the following page to see if you know all three.

The three qualities of a useful objective are:

1. States specifically the result intended.

2. Is measurable.

3. Includes a time frame: tells us when the result will happen.

Let's spend a few moments thinking about the first two qualities of a useful objective which are:

1. States a specific result in
2. measurable terms.

Look at the following statements and put an X in the box beside each statement that has these two qualities.

1. ☐ Enable 25 men to obtain full-time jobs paying at least $2.00 an hour.
2. ☐ Stimulate maximum feasible participation.
3. ☐ Provide educational opportunity.
4. ☐ Have a quorum present at the next meeting.
5. ☐ Recruit 30 women into the family planning program.
6. ☐ Provide an adequate diet.
7. ☐ Type 40 words per minute.
8. ☐ Protect civil rights.
9. ☐ Obtain $1,000 in donations.
10. ☐ Involve the poor.

You should have placed an X before statements 1,4,5,7,9.

Take another look at any you missed.

Do they tell you specifically how much participation, what kind of opportunity or diet, or what kind of involvement?

Some statements are easy to measure; others can't be measured.

Read the following statements:

1. As many as possible.
2. The maximum amount.
3. A feasible number.

Can these statements be measured?

Answer: _____

If you said no, you are right.

None of the statements can be measured because we are not told how many are possible; it could be 5 or 5,000. Nor do we know how many are maximum, or feasible; it could be any number. If such statements are included in an objective, then the objective will not be specific enough to be useful.

The third quality of a useful objective was that it included a time frame. That is, it tells us when we can expect the result to happen, or by what date the result will be completely accomplished.

Which of the following statements specify a good time frame?

1. As soon as possible.
2. When we are ready.
3. By July 1, 1977.

Answer: _____

Did you think that only Number 3 specifically said by what time we could expect a result to happen? That's right.

Statements 1 and 2 don't tell us how soon is possible or when we are ready. Is it tomorrow or next year? We don't know.

Useful objectives must specify when a result will happen by stating a date or giving a number of days, months, or years.

Just to be sure you have it, list again the three qualities of a good objective.

1. _____

2. _____

3. _____

If you are not sure, check your answers on page 36.

Now let's see if you can find these three qualities in an objective.

Objective: To enable twenty people to get full-time jobs paying at least $2.00 per hour by July 1, 1977.

1. Underline the parts of the objective above that state the intended result.

2. Place a square around the parts that are measurable.

3. Circle the time frame.

The answers are:

To enable twenty people to get full-time jobs paying at least $2.00 per hour by July 1, 1977.

Now do the same with the following objectives:

1. Underline the specific result intended
2. Put a square around the measurable parts.
3. Circle the time frame.

1. To enable 100 poor people to get chest x-rays by July 1, 1977.
2. To place 100 poor people in full-time jobs within one year paying at least $2.00 per hour.
3. To enable 50 drop-outs to return to high school by September 15, 1977.

The answers are:

1. To enable 100 poor people to get chest x-rays by July 1, 1977.
2. To place 100 poor people in full-time jobs within one year paying at least $2.00 per hour.
3. To enable 50 drop-outs to return to high school by September 15, 1977.

Place an X before each statement below that you would accept as meeting the three qualities of a useful objective:

1. ☐ to identify 75 dropouts and enable them to return to high school by September 15.
2. ☐ to provide one hour of tutoring in basic mathematics to 25 ninth-graders, three nights a week from October 1 to May 15.
3. ☐ to provide all low-income twelfth graders with a list of financial aid programs for college students by December 1.
4. ☐ to create a special class for high-achieving ninth-graders who are low-income by January 15.
5. ☐ to encourage the school board to provide free lunches for all low-income students during the next school year.
6. ☐ to enable 30 non-high-school graduates to take and pass the twelfth-grade equivalency test by July 1.

Answers:

You should have placed an X before 1, 2, 3, 6.

Take another look at any you missed, and see if you can determine why you made the mistake.

Number 4 doesn't tell us what the special class is for or how many ninth-graders will participate. It is not specific or measurable.

Number 5 doesn't tell us what the specific result will be. It only says that the school board will be "encouraged."

Remember that an objective can qualify as a measurable objective and still not contribute to the accomplishment of a goal. Some of the measurable objectives listed on the preceeding page would fall into that category. For example, Number 2 may be measurable, but it does not relate directly to the goal of "upgrading the education level of teenage dropouts."

You should be careful that the "what to do" does not become the "how to do it."

For example, the objective "to enable 100 poor people to get chest x-rays by July 1, 1977" tells us what needs to be accomplished, but it does not restrict how we might accomplish it. We could provide the equipment and personnel and give the x-rays ourselves; we could contract with a particular doctor or organization to give the x-rays; or we could let the 100 poor people get the x-rays on their own and we would pay the bill.

The important thing is that the objective did not prescribe how we should reach our objective. We are free to analyze and select the most effective or efficient method available to us.

Now gather into a small group of 3 to 5 and complete the exercises on the following pages.

Write at least three objectives for each of the first five goals prioritized at the last meeting.

Goal: _____

_____

Objective 1 _____

_____

Objective 2 _____

_____

Objective 3 _____

_____

Goal: _____

_____

Objective 1 _____

_____

Objective 2 _____

_____

Objective 3 _____

_____

Goal: _____

_____

Objective 1 _____

_____

Objective 2 _____

_____

Objective 3 _____

_____

Goal: _____

_____

Objective 1 _____

_____

Objective 2 _____

_____

Objective 3 _____

_____

Goal: _____

_____

Objective 1 _____

_____

Objective 2 _____

_____

Objective 3 _____

_____

Review what you have written and see if the objectives have these three qualities:

1. Is the intended result clear?

2. Can the intended result be measured?

3. Does the intended result have a time frame?

Re-write your objectives if you think they can be improved.

After you have reviewed your work, assemble together into a large group to discuss and agree upon specific objectives for your agency.

LARGE CONSENSUS SHEET – OBJECTIVES

GOAL STATEMENT	OBJECTIVES

Directions for Staff Between Sessions Two and Three

1. Ask each person (employee or volunteer) who performs activities for the agency to list those activities and estimate the amount of time he/she puts into those activities.

2. Have the immediate supervisor of each person review each list and in conjunction with the subordinate make any necessary adjustments so that the list is as accurate as possible.

3. Put a monetary value on the percentage of time spent on specific activities by applying that percentage to the staff salary (and fringe benefits) involved.

4. Allocate other direct costs such as equipment and supplies that can be identified with particular activities and program elements.

5. Allocate rent and other fixed costs if realistically possible. If the realistic division of a cost is not possible, then the initial man-power/hours ratio should be utilized in allocating costs.

6. Develop a tentative program structure and budget based upon the goals and objectives established in Sessions One and Two.

CHAPTER THREE

DEVELOPING A PROGRAM STRUCTURE AND BUDGET

Overview

> Ideally, program budgeting is a close relationship between planning and budgeting, with planning as the master and budgeting as the servant . . . In a planning context the budget document becomes a statement of policy rather than a grocery list.
>
> from Werner Z. Hirsch, et. al., Local Government Program Budgeting: Theory and Practice, p. 2.

A program budget, properly designed, allows you to relate expenditures to program objectives. In other words, it permits you to calculate easily in a given year how many dollars were spent in achieving X units of progress relative to goal A. This allows comparisons of efficiency (benefits/costs) from one year to the next and from one program to the next. The ability to calculate rough benefit/cost ratios for each program provides a more realistic basis for deciding each year whether to reallocate effort from one program area to another.

A program, as the term is used here, consists of the entire set of activities an agency performs that contributes to one of its objectives. The first step in structuring a program budget is to identify these programs. The second step is to calculate the cost of each activity and the overhead costs of conducting those activities.

There is usually some ambiguity involved in developing a

program structure. For one thing, the same activity may be contributing to more than one objective. When this occurs, the activity may be somewhat arbitrarily assigned to one or the other program; or it may be listed as a fraction under each objective to which it contributes. In cases where a number of activities appear to contribute to several objectives, it is realistic and more useful to simply treat these as a separate program, the objective of which is to support the other programs of the agency. A common example is "administrative support services" such as personnel, typing, computer services, or program evaluation.

Overhead costs (such as rent, utilities, general administration) are commonly allocated to each program as a simple percentage of all direct costs. However, where there are large overhead costs that can be identified with a particular program, these should be listed separately under that particular objective. A good example of the latter would be the water bill for a pool that is used only in the swimming/lifesaving program.

The rules of thumb in the last two paragraphs are only illustrative of the sometimes arbitrary decisions that must be made in constructing program budget categories and allocating costs to particular programs. The principal criterion to use in constructing a program budget is its utility in relating

costs to performance relative to each objective. In other words, it should allow the organization to quantitatively assess the return on its investment in each program.

Full-fledged program budgeting requires not only specification of existing programs but also a detailed listing of alternative means to the agency's objectives. The analysis of alternatives should include realistic estimates of benefits and costs. These estimates may be derived either theoretically or from the actual experiences of other agencies.

Critics of program budgeting point out that organizations do not have unlimited resources to invest in assessing alternative programs. They also have questioned whether, in complex organizations, it is possible to produce with reasonable effort a program structure that accurately matches activities to the appropriate objectives.

One advantage that a small agency has in introducing program budgeting is the relative simplicity of the tasks of developing a program structure and assessing alternatives to present programs. Recognizing that small agencies have very limited planning resources, we have tried to minimize the complexity of the program budgeting process as it is presented in this workbook while retaining its basic elements and spirit of rationality. For instance, we have chosen not to present a methodology for developing program alternatives,in the belief

that each agency can develop its own approach to this task in a manner consistant with its needs and capacities.

This chapter introduces you to the heart of a program budgeting process-including the defining of a program structure and the relating of costs to objectives. The agency staff will assist board members in applying these concepts to the current year's budget.

SELECTED REFERENCES

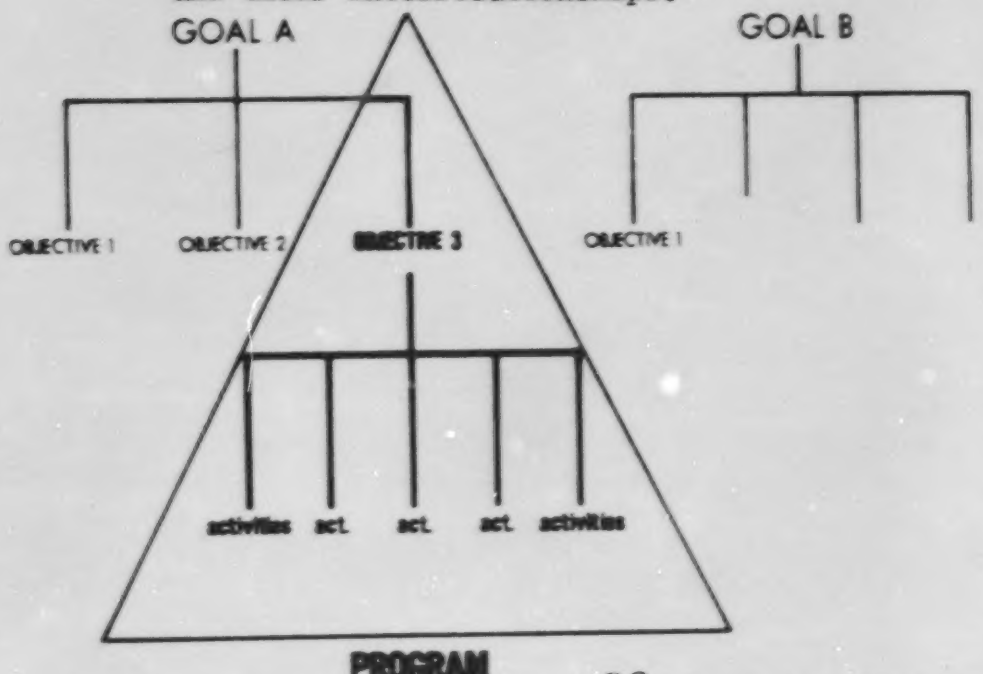
Hirsch, Werner Z., Sidney Sonenblum, and Ronald K. Temples, Local Government Program Budgeting: Theory and Practice Praeger, 1974.

State-Local Finances Project, "Implementing PPB in State, City, and County" (Washington, D.C.: George Washington Unversity, June 1969).

A program structure is a hierarchical arrangement of goals and objectives which depicts the relationships of activities, services, and programs to those goals and objectives. A program is the set of activities that contributes to one of your agency's objectives.

There are four basic criteria necessary for the design of an adequate program structure:

1. Program objectives, services, and activities should be as mutually exclusive as possible.
2. Activities must relate specifically to particular objectives listed in the structure.
3. All activities of the agency must be included in the structure.
4. The final structure should facilitate the assessment and analysis of programs, services and activities and their interrelationships.



What are the four basic criteria for the design of an adequate program structure?

1. _____

_____

2. _____

_____

3. _____

_____

4. _____

_____

_____

Check your answers on the preceding page. If you answered correctly, go on to the next page. If you missed one or more, study the correct answers before proceeding to the next page.

There are at least four steps you must take in developing a program structure. Below, these four steps are listed, but not in order. See if you can put them in the correct order.

A. Have each person (employee or volunteer) who performs activities for the agency list those activities and estimate the amount of time he/she puts into those activities.

B. Consolidate all the lists and group the activities as to their contribution to the achievement of a hierarchy of objectives.

C. Have the immediate supervisor of each person review each list and in conjunction with the subordinate make any necessary adjustments so that the list is as accurate as possible.

D. Identify agency goals and objectives and put them into a hierarchical arrangement which depicts their relationships.

CORRECT ORDER:

1.

2.

3.

4.

Check your answers on the next page.

Answers:

1. D
2. A
3. C
4. B

If your answers were correct, you are ready to proceed. If you were incorrect, review the correct order and obtain clarification from the coordinator if you still do not understand the correct order.

On the following page is an example of a very simplified version of a program structure. Examine it in light of the criteria listed earlier. If you have any questions, please ask the coordinator.

Simplified Model of Program Structure*

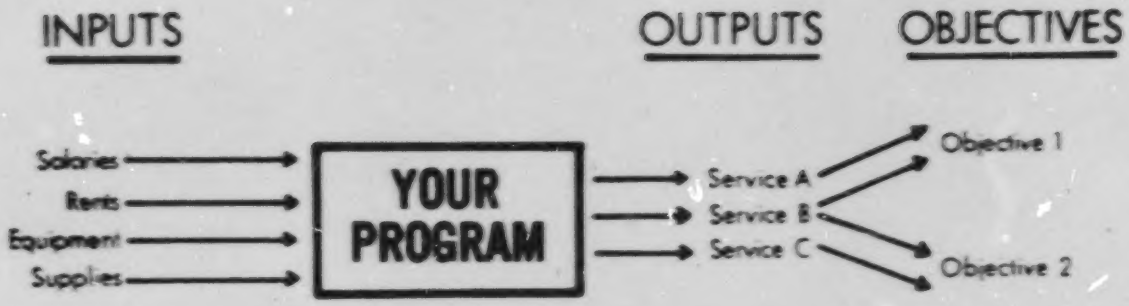
Objective	Service	Element	Activity
A. Enable at least 50 single parents, presently unemployed and unskilled to work at full time employment, paying at least the minimum wage, within one year.	Aa. Enable at least 50 single parents, presently unemployed and unskilled, to obtain training that will enable them to obtain full time employment, paying at least the minimum wage, within one year.	Aa1. Recruit and screen parents.	Aa1.1 -- Aa1.2 -- Aa1.3 -- Aa1.4 -- Aa1.5 --
		Aa2. Train parents.	Aa2.1 -- Aa2.2 --
		Aa3. Place parents in employment.	Aa3.1 -- Aa3.2 -- Aa3.3 -- Aa3.4 --
	Ab. Provide day care services for at least 50 children of single parents who are in training programs or in full time employment within the next year.	Ab1. Provide cognitive learning experience.	Ab1.1 -- Ab1.2 -- Ab1.3 -- Ab1.4 --
		Ab2. Provide social growth experiences.	Ab2.1 -- Ab2.2 --
		Ab3. Provide health and nutrition services	Ab3.1 -- Ab3.2 -- Ab3.3 --
	Ac. Provide transportation services for all single parents and day care children to the following places in the coming year: training sites, day care centers, medical centers.	Ac1. Schedule rides.	Ac1.1 -- Ac1.2 --
		Ac2. Transport clients to sites.	Ac2.1 -- Ac2.2 --

*This outline is an arbitrary classification scheme. Once all the activities have been determined, it might be more logical to include transportation services as elements under sub-objectives Aa and Ab. Another level (sub-element) may have to be added if this structure does not prove adequate for the agency.

After you have developed a program structure and have refined it so it reflects the current program operations of your agency, the next step is to translate that structure into a program budget.

Budgets, traditionally, have been used to insure that money is spent in specified expenditure categories (i.e., salaries, equipment, supplies). Traditional budgets have basically been plans for allocating resources among expenditure categories (inputs). However, we live in an age when resources are becoming scarce and accountability is the password. The traditional budget is not enough. A budget, today, must indicate how resources are being allocated among activities and services, (outputs) as these contribute to each of the organization's objectives. This is what a program budget does.

The traditional budget is organized by categories of expenditures (input). The program budget is organized by objectives, under which are listed the activities (outputs) of the agency that contribute to each objective. Of course, in a complete program budgeting system, both categories must be known. In order for the decision maker to know how much his output costs, he must know the input.


INPUTS
OUTPUTS
OBJECTIVES
Salaries
Rents
Equipment
Supplies
YOUR PROGRAM
Service A
Service B
Service C
Objective 1
Objective 2

What steps are necessary to convert a traditional line item budget into a program budget? Once the program structure is developed and the activities have been identified, it is necessary to take the line item costs and allocate each of them to those activities.

Step 1. The actual percentage of time spent on specific activities can be quantified by applying that percentage to the staff salary (and fringe benefits) involved. If a staff member spends full time in a particular activity, then your task is that much easier. Administrative tasks and salaries are much more difficult to allocate.

Step 2. Allocate other direct costs such as equipment and supplies that can be identified with particular program elements.

Step 3. Allocate rent and other fixed costs if realistically possible. If the physical division of a cost is not possible, then the initial manpower/hours ratio should be utilized in allocating the costs.

Step 4. Revise and refine the program budget so it includes all the line item expenditures and reflects the program structure.

Now complete the statements on the following page.

Completions

1. Traditionally, budgets have been used to insure that money is spent in _____.

2. Traditional budgets have basically been plans for allocating resources among _____.

3. A program budget indicates how resources are being allocated among _____.

4. In a complete program budgeting system, both (a) _____ and (b) _____ must be known.

5. In order to make a program budget, you must take the (a)_____ and allocate each of them to the (b) _____ of the program.

Check your answers on the following page.

Answers:

1. Specific expenditure categories

2. Inputs

3. Outputs or objectives

4. (a) inputs, (b) outputs

5. (a) line item (input) costs, (b) activities

If your answers were correct, you are ready to proceed. If you missed one or more, review pages 60-62 before you proceed.

On the following page are contrasting examples of a traditional line item budget and a program budget. Examine them and make note of the differences between them. Examine the program budget in relation to the previous example of a program structure.

Simplified Model of Traditional and Program Budgets*

Traditional Budget (Single Parents Program)

Salaries and Wages	20,000	
Fringe Benefits	1,950	
Contract Services	3,160	
Total Personnel		25,110
Travel	3,050	
Space Costs	1,000	
Consumable Supplies	300	
Equipment	200	
Miscellaneous	1,300	
Total Non-Personnel		5,850
Total Costs		30,960

Program Budget (Single Parents Program)

Training Costs		12,040
Recruiting	3,010	
Training	7,825	
Placing in Employment	1,605	
Day Care Costs		10,320
Cognitive Learning	3,096	
Social Growth	2,064	
Health and Nutrition	5,160	
Transportation Costs		8,600
Schedule Rides	2,580	
Transport Clients	6,020	
Total Program Costs		30,960

*This budget is based on the accompanying limited program structure and the figures were chosen at random. The important thing to note is the format and relationship the budget should have to the program structure.

In order to facilitate your involvement in Phase III, the initial steps in developing both a program structure and program budget have been accomplished so that you need only complete the final step in the development of the program structure and budget.

Your staff will present to you the results of their initial efforts to develop a program structure and budget. It will be up to you to take this information and complete the development of a program structure and budget.

CHAPTER FOUR

ASSESSING AGENCY PERFORMANCE

Overview

Once one has defined the objective that a set of activities is directed at achieving, it is possible to judge the degree to which a program has succeeded in achieving that objective. Program evaluation is the use of scientific methods to measure success in these terms.

A carefully designed program evaluation process will allow the staff to measure not only the degree to which the program objective is achieved but also a wider range of impacts. For instance, careful monitoring of the impacts of a job training program would include measurement not only of how many clients get what kinds of employment, but also of the training program's impact (positive or negative) on clients' psychological well-being and relationships with other people.

There is a wide variety of models for program evaluation. The following elements are common to most of them: (1) establishing "baseline" data on the status of incoming clients or target populations; (2) measurement of or holding constant sources of change other than the program itself (the purpose of which is to isolate the impact of the program from other causes of change); (3) measurement of changes after the program and follow-up on clients who have left the program to look for delayed effects or "relapses."

Evaluating the effects of human services programs requires considerable ingenuity. It is relatively easy to measure the success of a garbage collection or street repair program; relatively more difficult to determine what constitutes "success" in a family counseling, educational, or recreational program. Is the best measure of family counseling success the number of families who stay together or the number of bad marriages ended? Or neither? Is there any reliable measure of the extent to which a recreational program builds habits of cooperation or raises self-esteem? There are answers to these questions, but they are as complex as the problems themselves.

There is no simple answer either to the question of who should perform an evaluation. Professional evaluators hired from outside are more likely to produce scientifically valid results that pull no punches. On the other hand, an outsider who is unfamiliar with the agency must spend a lot of time gaining knowledge already possessed by the agency's staff. For small social agencies there may be no alternative to developing an internal evaluation capability.

It is extremely important for an agency to establish valid and reliable measures of program impacts that can be executed repeatedly. This allows the agency to monitor trends in performance over time. When a basic change is made in the program

a baseline data collection should precede the change and a second set of measures should follow the change.

An agency should subject program evaluation efforts to the same type of benefit/cost analysis applied to its other programs. There is no reason to collect data that do not provide information leading to improved decision-making. For instance, it is a waste of effort for an agency simply to collect detailed information on numbers of people served or contacted. This tells the agency nothing about its impact. Evaluation should focus on outcomes rather than outputs. The assumption that provision of service to a client (output) has a positive impact (outcome) should be treated as an hypothesis and subjected to scientific testing.

This Chapter provides an introduction to such basic program evaluation techniques as indicator construction, research design, and data collection.

Selected References

Practical Program Evaluation for State and Local Officials. The Urban Institute.

Moursund, Janet P., Evaluation: An Introduction to Research Design. Brooks/Cole Publishing Co., 1973

Hinrichs, Harley H. and Graeme M. Taylor, Systematic Analyses, A Primer on Benefit-Cost Analysis and Program Evaluation. Goodyear Publishing Co., 1972

Weiss, Carol H., Evaluation Research, Methods of Assessing Program Effectiveness. Prentice-Hall 1972.

What kinds of data might be collected to measure impact? Here are some examples:

In Washington, D.C., the effectiveness of trash collection programs is monitored by having trained observers periodically observe the amount of litter left along curbs after collections.

Result Some neighborhoods are found to have received far better service than others. Reforms are proposed.

A 1970 evaluation of court procedures for placing neglected children shows that many youngsters who should have been sent home immediately are being institutionalized for several weeks before the court can act.

Result A proper servicing program is instituted to identify such children and provide them with emergency services in their homes rather than place them in institutions.

An evaluation of recreational programs in one city leads to these discoveries:

1. Citizens in poorer neighborhoods rate their recreation services inadequate and see a need for more organized programs, especially on weekends.
2. Certain types of equipment are responsible for 80% of all serious accidents in park areas.
3. Accessibility to facilities and programs varies widely and is frequently denied to the aged, handicapped, and those who work certain shifts.

Result Several programs are rescheduled and decentralized. Plans are made to replace dangerous equipment. The basic thrust of the recreational program in poorer neighborhoods is altered and placed under review by a citizens advisory board.

What do these examples show? Evaluations provide the basis for wise decisions by the board and staff based on firm evidence of program impact.

What are the steps in setting up an evaluation process?

First, for each objective, list as many types of evidence (indicators) as you can think of.

For instance, to measure the success of a drug abuse control program, you might need data on the following:

1. Percent of persons arrested in the jurisdiction who are addicts or are under drug influence.
2. Number of drug overdose deaths.
3. Percent of those entering your program as addicts who remain free of drug use for one, two or three years after undergoing treatment.
4. Percent of those entering your program who were unemployed but have held steady employment for at least a year or returned to school.
5. Percent of those entering your program with criminal convictions who have not been charged with crimes for one year, two years, or longer after undergoing treatment.
6. Improvements in mental and physical health of those undergoing treatment.
7. Percent who relapse and return to the programs.
8. Program retention rates and reasons for dropping out.

Data on these eight indicators ought to be collected on a regular basis.

Now take one of the objectives of your own agency's programs and list as many measurable indicators of <u>impact</u> as you can think of:

Objective: _____

_____

Indicators:

1. _____

2. _____

3. _____

4. _____

5. _____

What is a <u>good</u> indicator?

1. It must be <u>valid</u>. That is, it must be a measure of impact relative to your objective.

2. It must be <u>reliable</u>. (A sundial won't tell time on cloudy days. It's <u>unreliable</u>).

3. It must not be too expensive to collect.

4. Collection of data must not violate constitutionally protected rights or unnecessarily deny someone his privacy.

5. Data should be collected as regularly and frequently as necessary.

What are the most commonly used techniques to gather data on performance?

1. Agency records: Data that is presently collected can often be looked at in a wholly new light in order to assess program performance.

2. Other public records: Especially useful in following up on previous clients and measuring the success of referral programs.

3. Surveys: Present or past clients may be interviewed. Also, a relatively small, scientifically drawn sample can provide a reliable picture of how citizens of a neighborhood or city have felt the impact of your program.

4. Experimental Designs: This requires use of a control group that is not going through your usual program. Measures are taken before and after the program for both groups and the results compared to discover any impact.

5. Census Data: Often useful in making decisions about the location of a program site or other decisions involving geography.

where possible, evaluators should use several indicators for each objective.

Evaluators should also look out for negative impacts--undesirable side effects.

It is up to the board members, each year to weigh:

1. The positive impacts of each program.

2. The negative impacts of each program, and

3. The cost of each program.

And then, on the basis of valid, reliable data for all three, decide whether each program should be expanded, reduced, changed, or eliminated.

Now, let's take a few minutes to work in groups on the construction of indicators.

Each group should consider indicators for one of your agency's objectives.

For each indicator, ask two questions:

1. Is this a valid, reliable indicator?

2. Do we have, or is it practical to collect, the data necessary to employ this indicator?

Some Propositions for Discussion

1. Our agency doesn't need to research its target population, because we already know who is eligible and who needs our services.
2. Our agency doesn't need to gather more detailed information on incoming clients since we are already adequately diagnosing their needs and the causes of their problems.
3. Our agency's programs can't be evaluated because there is no way to measure success.
4. Clients are poor judges of the quality of service they are receiving.
5. We can't afford what it would cost to do a proper job of evaluation in this agency.

Chapter Five

DEVELOPING NEXT YEAR'S PROGRAMS

Overview

At the completion of Chapter four, you will have accomplished the following:

1. Agreed on goals and priorities.
2. Learned to write specific goal-related objectives.
3. Developed a program structure and budget based on current agency activities.
4. Assessed agency performance levels and made recommendations for improvement.

Now you are prepared to start planning next year's programs in light of the information already developed and in light of new information to be developed. This chapter will provide you with a guide to the things that need to be done in order to keep this yearly planning-programming-budgeting process on schedule.

Guidelines are provided on (1) how to assess community problems, and (2) how to develop and analyze alternative solutions to those problems. These two processes, added to what you already know about your current goals, objectives and activities, will assist you in refining your programs so they will be more relevant and more effective next year. The annual PPBS Calendar at the end of the chapter should be posted as a quick reference to where you are in the process at any time during the year.

A Guide to Assessing Community Needs and Problems

An effective job of establishing long range goals and developing strategies to accomplish your agency's desired ends cannot be done without valid and reliable information about the environment in which you operate. In fact, your agency's success will probably be in direct proportion to the amount of specific information you are able to gather about your community's needs and problems.

Most agencies' information begins with the experiences of board and staff members. However, good decisions are seldom based on intuitive judgments alone. It may be necessary to base initial planning activities on such judgments, as we did in Chapter One, but as the planning process proceeds, the need for more detailed information will become apparent.

Types of information that usually help describe a community and its problems include:

1. Demographic characteristics such as population size, composition and distribution
2. Economic characteristics such as descriptions of industry, business climate and labor force
3. Social structure characteristics and influence of legal, political, cultural, educational and religious organizations
4. Physical and geographic characteristics such as natural elements, housing patterns, and movement patterns

Some sources of these types of information, in addition to the board and staff, include:

1. Special studies by planning agencies or universities
2. Mailed questionnaires
3. Personal or telephone interviews (preferred over mailed questionnaires)

4. Data generated by existing social service agencies
5. Census data and other government reports
6. Local government offices such as welfare, housing authorities, transportation agencies or zoning offices
7. Local utility companies
8. Local school boards
9. Local chamber of commerce
10. Newspaper files
11. Libraries
12. Community meetings to hear what citizens want and perceive to be their needs

The purpose of gathering information is to lay the data base for analysis. Analysis should ask at least the following questions:

What is the real social problem being addressed by the agency?

Why is it a problem?

Who is affected by the problem?

What is the magnitude and severity of the problem?

Where is the problem?

What are the major causes and side effects of the problem?

It must be emphasized that information alone will not identify a problem. Analysis of the information is necessary before problems can be identified. This is usually a multi-stage activity involving initial analysis using limited information which in turn identifies the need for even more specific types of information. For example, a problem statement which says, "Many people in our community need child day care services," is inadequate and demonstrates the need for additional information. "How many people need what kinds of day care service?" "Who are these people and where are they

located?" "Why do they need this service?" This level of specification begins to approach a point where a precise problem statement can be formulated and upon which goals and objectives can be established.

Some may initially feel that problem statements are easy to make and that generally everyone will agree as to what constitutes the problem. Nothing could be farther from the truth. The most time-consuming portion of the planning process is in problem identification. It has been said that as much as 50 percent of the effort to solve a problem should be applied to thinking about the problem. It is more important to find the true problem than it is to follow a perfect analytical procedure to the solution. Peter Drucker, noted management consultant, once said " . . . the important and difficult job is never to find the right answer, it is to find the right question. For there are few things as useless--if not as dangerous--as the right answer to the wrong question."

It is necessary to insure that problem statements actually depict the problem and not a symptom of the problem. For example, the statement that day care services are needed in the community does not go to the root of the situation. The problem, more specifically, may be that there are single parent families wherein the breadwinner cannot work and take care of the children at the same time. There may be alternatives to the solution of this problem other than just day care services. The first problem statement limits the alternatives to be considered by the decision maker to types of day care services. The restatement of the problem expands the decision maker's field of vision. Day care may or may not be the best and most economical way of resolving the actual problem, but now the decision maker can consider other alternatives and compare their cost or effectiveness to day care in resolving the basic problem.

The goal setting process should flow smoothly and logically from your problem analysis and problem statement. But before your board determines what problems and goals should receive top priority, it should receive input from the community. Just as information is a prerequisite to developing problem statements, so also the goal setting process has a prerequisite--community involvement. In order to insure that the goals selected have a chance for accomplishment, it is advisable that as many as possible of the following groups be included in the goal setting process: target population, power groups, professional groups, related community organizations, volunteers, board members, and staff members.

How is it possible to get all of these groups to agree on what goals should be pursued? The only way to do this is to establish an open ongoing dialogue with all of the groups concerned. There are people at the University who can assist you in establishing such a process. If you feel you need help in this area contact the project coordinator (746-8494), or the Youngstown State University Center for Urban Studies (746-1851, Ext. 498).

A Guide to Developing and Analyzing Program Alternatives

Once you have completed the problem analysis and goal setting stages, you must determine the most effective or efficient method available to you in reaching a particular goal.

In order to examine or analyze any program alternative, it is essential that a model be developed describing the relationship between resources used, how they are used, and the results achieved or expected. Your ability to describe the relationship will determine the validity of your comparison of alternatives.

Information about the effect of strategies must be available to you if you are going to compare program alternatives. The closest source of this information is your own agency. If you have evaluated what your agency is doing, how it is doing it, and the impact it is having, then you have some information about the effect of your current strategies. Other sources of information on the effect of strategies can include specialists who are familiar with various courses of action for a particular problem or reports of the experiences of other agencies with problem situations similar to yours.

Some of the major difficulties and limitations in analyzing and implementing alternatives include:

1. Lack of specifically measurable and demonstrable objectives
2. Inadequacies in data and knowledge, such as not knowing the effects of particular alternatives nor even being able to describe the current situation
3. Inability to accurately predict the future
4. Statutory or fiscal restrictions outside your control
5. Narrow perspectives and experiences of decision makers

Do not become discouraged if these obstacles sometimes appear insurmountable. In any analysis, we may often have to be satisfied with using the process without arriving at final answers. Partial analysis is better than no analysis. The depth and sophistication of analysis is not as important as bringing assumptions and uncertainties into the open. It may be that the greatest initial benefit of attempting to analyze alternatives is the dialogue opened up between board, staff and community.

Program Budgeting Calendar

The calendar on the following page indicates what must be done each year to maintain a program budgeting process that will increase your agency's effectiveness. The dates shown are estimates, but you should make every effort to include all steps in the process in the right order.

Program Budgeting Calendar